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UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

WMS GAMING INC., a Delaware corporation,)

Plaintiff,)

v.)

EVERYTHING GAMES, LLC, a Texas limited)
liability company, and ROBERT E. HOUCHIN,)
JR., an individual,)

Defendants.)

Civil Action No. _____

3-10CV1267-K

**COMPLAINT FOR INJUNCTION AGAINST COPYRIGHT PIRACY,
TRADEMARK INFRINGEMENT AND UNFAIR COMPETITION**

Plaintiff, WMS Gaming Inc. ("WMS" or "Plaintiff"), brings this action for injunction against Defendants, Everything Games, LLC ("Everything Games") and Robert E. Houchin, Jr. ("Houchin"), collectively "Defendants", and alleges:

NATURE OF ACTION

1. This action for an injunction against continued piracy and infringement of WMS's registered copyrights in violation of the U.S. Copyright Act, 17 U.S.C. § 101 *et seq.*, and against continued trademark infringement, false designation of origin and unfair competition in violation of the Lanham Act, 15 U.S.C. § 1051 *et seq.*, arises out of: (i) Defendants Everything Games' and Houchin's willful trafficking in pirated copies of WMS's video slot machine software and sales of their own inferior quality gaming machine equipped with such pirated software; (ii)

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**COMPLAINT FOR INJUNCTION AGAINST COPYRIGHT PIRACY,
TRADEMARK INFRINGEMENT AND UNFAIR COMPETITION**

Defendants' promotion and sale of their own inferior quality video gaming machine product as a "SlimLine WMS" gaming machine; and (iii) Defendants' infringement, in connection with their pirated software, of WMS's registered trademarks WMS and Design, WMS GAMING, WMS GAMING and Design, WILLIAMS, REEL 'EM IN, INSTANT WINNER, JACKPOT PARTY, LIFE OF LUXURY, THE BEST THINGS IN LIFE, MONEY TO BURN, and LEPRECHAUN'S GOLD.

2. This case falls within the ambit of the strong public policy in favor of strict regulation of the manufacture and distribution of gaming devices. To protect the public, the distribution of gaming devices, including gaming software, is highly regulated throughout the United States and internationally. WMS and its legitimate competitors must be licensed by regulatory bodies in a variety of jurisdictions within the United States and around the world to qualify to manufacture, repair, sell, lease and distribute gaming devices including gaming software. These regulatory measures are imposed to ensure that unlicensed entities do not misappropriate gaming devices or gaming software and sell, alter or reproduce them without the regulation necessary to ensure integrity in the gaming industry and prevent fraud. In addition to infringing WMS's copyrights and trademarks, Defendants' unregulated trafficking in pirated gaming software and promotion and sale of their own gaming machines as "SlimLine WMS" machines installed with such pirated software, as alleged herein, is entirely outside the purview of the regulatory scheme applicable to legitimate manufacturers and distributors of gaming devices and thereby poses a severe threat to the public and the integrity of the gaming industry.

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JURISDICTION AND VENUE

3. This Court has subject matter jurisdiction over WMS's trademark, copyright and federal unfair competition claims pursuant to 15 U.S.C. § 1121 and 28 U.S.C. §§ 1331 and 1338(a) and (b). This Court has supplemental jurisdiction over the claims in this Complaint that arise under the statutory and common law of the State of Texas pursuant to 28 U.S.C. § 1367(a) because the state law claims are so related to the federal claims that they form part of the same case or controversy and derive from a common nucleus of operative facts.

4. Venue is proper in this District pursuant to 28 U.S.C. § 1391(b) because a substantial part of the events giving rise to the claims occurred in this District and Defendants reside in, have a place of business in, and transact business in this District.

5. This Court has jurisdiction over Defendants, *inter alia*, by virtue of the fact that they: (1) reside within the State of Texas; (2) have transacted business within the State; and (2) have infringed WMS's copyrights and trademarks within the State.

PARTIES

6. WMS Gaming Inc. ("WMS") is a Delaware corporation having its principal place of business at 800 South Northpoint Boulevard, Waukegan, Illinois 60085. WMS is one of the world's leading video slot machine suppliers with an unmatched reputation for innovative game design and development.

7. Defendant Everything Games, LLC ("Everything Games") is a Texas limited liability company having its principal place of business at 2321 Solona Street, Suite A, Haltom City, Texas 76117. Everything Games is engaged in the business of selling gaming machines

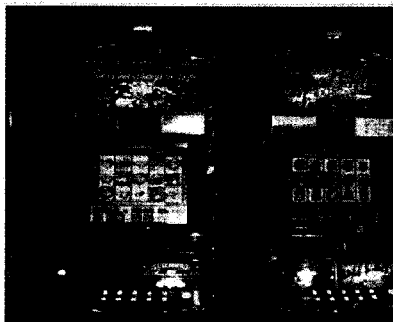
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and video gaming software including, *inter alia*, pirated WMS gaming software and Everything Games' own video slot machines which it promotes as "SlimLine WMS" machines and equips with pirated WMS software.

8. Defendant Robert E. Houchin, Jr. ("Houchin") is an individual residing, upon information and belief, at 125 Reata Drive, Azle, Texas 76028. Upon information and belief, Houchin is the owner and Manager of Defendant Everything Games and, at all times relevant to this Complaint, has conducted the day-to-day operations of Everything Games and directed and conducted the unlawful activities complained of in this Complaint.

WMS'S COPYRIGHTED SOFTWARE AND REGISTERED TRADEMARKS

9. WMS manufactures gaming devices including video slot machines that it supplies to casinos and other licensed gaming establishments throughout the world. WMS video slot machines provide users with a total game experience, composed of music and sound effects, one or two video monitors displaying the video slot game, and a brightly lit cabinet outfitted with decorative glass panels containing graphics customized to the individual game. The two WMS video slot machines depicted below have been customized to play WMS's video slot machine games *Life of Luxury: The Best Things in Life* and *Wild Wilderness*:



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10. Each WMS gaming machine cabinet contains one or more computer boards (the “CPU Board(s)”). The WMS CPU Boards are custom computer boards designed to process the WMS video slot machine game software. WMS has not authorized its software to run on any other computer boards, and upon information and belief, there are no other computer boards in existence capable of running the WMS software. Furthermore, the WMS CPU Boards are not compatible with and cannot run third party software.

11. When a WMS gaming machine is turned on, the CPU Board loads the software for the game and WMS’s copyrighted game graphics appear on the machine’s monitor. The WMS game can then be played using the buttons mounted on the gaming device’s external control panel.

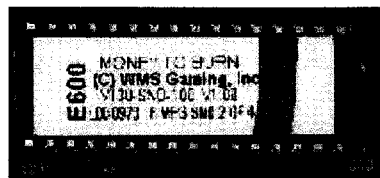
12. WMS has released several different cabinet models over the years. Different games (each with its own special visuals, music and sound effects) are offered for different cabinet models. Using the same cabinets, WMS video slot machines can be customized to play different video slot games by installing different software inside the machines and installing different glass panels on the outside of the machines to produce the distinctive look and feel of each game. By installing the desired game software and corresponding glass panels, a WMS video slot machine can be assembled for any of the games available for that model. The resulting product is a colorful, brightly lit gaming device that delivers the quality game experience WMS is known for.

13. WMS does not sell its gaming device software separate from its gaming machines except in one circumstance: WMS offers existing owners of WMS gaming machines purchased

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directly from WMS the option of purchasing a conversion kit ("Conversion Kit") that can be used to retrofit the customer's gaming machine to a different WMS game (the "Conversion Kit Game"). A WMS Conversion Kit includes both the game software and the decorative glass panels associated with the Conversion Kit Game (and, in some cases, may also include a new CPU Board). By installing both the new software and the glass panels, a WMS customer can convert their existing WMS gaming machine to the Conversion Kit Game.






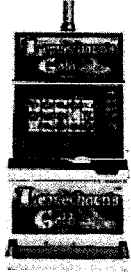
14. In some older WMS video slot machine models, the software producing the game play, music and sound effects is stored on computer memory chips known as EPROMs (an acronym for "erasable programmable read only memory"), which fit into slots on the CPU Boards. An EPROM-equipped WMS video slot machine will require six to eight EPROMs to run a game. A typical WMS EPROM bearing a WMS copyright notice and WMS trademarks is shown below:



The appearance of the *Money to Burn* EPROM shown above is representative of the labeling and appearance of a genuine WMS EPROM containing video slot machine software.

15. The video slot machine games released by WMS using EPROM technology include the games *Reel 'Em In*, *Instant Winner*, *Jackpot Party*, *Life of Luxury: The Best Things in Life*, *Money to Burn* and *Leprechaun's Gold*, shown below:

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<i>Reel 'Em In</i>	<i>Instant Winner</i>	<i>Jackpot Party</i>	<i>Life of Luxury The Best Things in Life</i>	<i>Money to Burn</i>	<i>Leprechaun's Gold</i>

These six games are referred to herein as the “Six WMS Games.” Full size images of these genuine WMS gaming machines are included in Exhibit 1 to this Complaint.

16. WMS owns and has registered or applied to register the copyrights in graphic computer images produced by each of these Six WMS Games and in the artwork from the mechanical reel *Money to Burn* game, (the “Copyrighted Works”), as follows:

Game Title	U.S. Copyright App/Reg. No.	Copyright Application or Registration Date	Exhibit No.
<i>Reel 'Em In</i>	VA 1-336-916	September 15, 2005	Exhibit 2
<i>Instant Winner</i>	VA 1-343-098	September 20, 2005	Exhibit 3
<i>Jackpot Party</i>	VA 1-343-096	September 20, 2005	Exhibit 4
<i>Life of Luxury: The Best Things in Life</i>	VA 1-689-575	April 20, 2009	Exhibit 5
<i>Leprechaun's Gold</i>	Application Pending	June 17, 2010	Exhibit 6
<i>Money to Burn</i> (video)	Application Pending	June 17, 2010	Exhibit 7
<i>Money to Burn</i> (mechanical reel)	VA 1-674-739	May 14, 2008	Exhibit 8

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Copies of the above-listed copyright registration certificates and of the Copyrighted Works are attached to this Complaint as Exhibits 2-8.

17. WMS actively promotes and sells its gaming machines, game parts and game software under the house marks WMS and WMS GAMING (each appearing in several different logo formats), and continues to use its original and well-known house mark WILLIAMS. (These marks will be referred to collectively herein as the “WMS Trademarks”). Additionally, WMS has established valuable trademark rights in the titles of its games including the titles of the Six WMS Games – namely, REEL EM ‘IN, INSTANT WINNER, JACKPOT PARTY, LIFE OF LUXURY, THE BEST THINGS IN LIFE, MONEY TO BURN and LEPRECHAUN’S GOLD (collectively, the “Game Trademarks”).

18. As shown in Exhibit 9 to this Complaint, the WMS Trademarks and Game Trademarks (collectively the “Trademarks”) have been prominently displayed in the advertisement and promotion of WMS’s gaming machines, on WMS gaming machine cabinets and monitor screens, and on various other WMS products including on genuine WMS EPROMs on which the WMS gaming software is stored.

19. As a result of the widespread use and display of the Trademarks on the Internet, in advertising, at casinos and other gaming locations, and on the WMS gaming machines and other genuine WMS products: (a) video slot machine games and other goods marked with the Trademarks are recognized by the trade and the public as high quality products emanating from a single source – specifically, WMS; and (b) the Trademarks have built up secondary meaning and extensive goodwill.

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20. In addition to its common law trademark rights in the Trademarks, WMS owns U.S. trademark registrations for many of the Trademarks, including:

Trademark	U.S. Trademark Reg. No.	Issue Date	Exhibit No.
REEL 'EM IN	2,008,263	October 15, 1996	Exhibit 10
MONEY TO BURN	2,424,105	January 23, 2001	Exhibit 11
LIFE OF LUXURY	2,317,146	February 8, 2000	Exhibit 12
THE BEST THINGS IN LIFE	2,849,376	June 1, 2004	Exhibit 13
JACKPOT PARTY	2,283,967	October 5, 1999	Exhibit 14
INSTANT WINNER	3,242,348	May 15, 2007	Exhibit 15
LEPRECHAUN'S GOLD	2,610,753	August 20, 2002	Exhibit 16
WMS and Design	3,506,674	September 23, 2008	Exhibit 17
WMS GAMING and Design	2,695,864	March 11, 2003	Exhibit 18
WMS GAMING	2,341,453	April 11, 2000	Exhibit 19
WILLIAMS	2,263,021	July 20, 1999	Exhibit 20

21. WMS's U.S. Trademark Registration No. 2,341,453 for the mark WMS GAMING (Exhibit 19), Registration No. 2,695,864 for the mark WMS GAMING and Design (Exhibit 18), Registration No. 2,263,021 for the mark WILLIAMS (Exhibit 20), U.S. Trademark Registration No. 2,008,263 for the mark REEL 'EM IN (Exhibit 10), U.S. Trademark Registration No. 2,424,105 for the mark MONEY TO BURN (Exhibit 11), U.S. Trademark Registration No. 2,317,146 for the mark LIFE OF LUXURY (Exhibit 12), U.S. Trademark Registration No. 2,849,376 for the mark THE BEST THINGS IN LIFE, (Exhibit 13), U.S.

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Trademark Registration No. 2,283,967 for the mark JACKPOT PARTY (Exhibit 14), and U.S. Trademark Registration No. 2,610,753 for the mark LEPRECHAUN'S GOLD (Exhibit 16) are incontestable pursuant to Section 15 of the Lanham Act, 15 U.S.C. § 1065.

**Defendants' Infringement of the
WMS Copyrights and Trademarks**

22. Defendant Everything Games holds itself out as a distributor of new and used gaming machines and parts. Defendants are promoting Everything Games' own line of inferior quality video gaming machines as "SlimLine WMS" machines and knowingly and willfully selling them to customers preinstalled with pirated WMS software. In addition, Defendants are knowingly and willfully selling unauthorized pirated copies of WMS's video slot machine software stored on EPROMs for installation in existing customers' "SlimLine WMS" gaming machines and, upon information and belief, for installation in customers' existing WMS gaming machines. These pirated EPROMs contain WMS software in machine-readable format, and are capable of displaying, copyrighted graphic computer images from various WMS games, including the Six WMS Games.

23. A print-out from Everything Games's website at www.everythinggames.biz (the "EG Website") is attached to this Complaint as Exhibit 21. Upon information and belief, Defendant Houchin owns and controls the domain name EG Website and controls the content of the EG Website. Everything Games is using the EG Website to promote its own inferior quality video slot machines as "WMS SlimLine" products, creating the false impression that Defendants' gaming machine product is provided by, sponsored by, approved by, licensed by, affiliated with or in some way legitimately connected to WMS, as follows:

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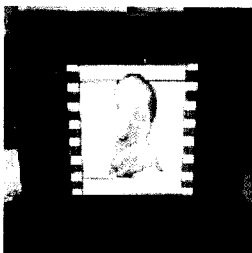
(a) On the home page of the EG Website (Exhibit 21-A), Defendant Everything Game has listed "Class III" as a menu item. Clicking on the "Class III" link takes users to a page (Exhibit 21-B) displaying photographs of various manufacturers' gaming machines, including a photograph titled "WMS Games." The menu on this page includes the heading "Class III," with "WMS Games" listed beneath as a sub-menu item. Clicking on "WMS Games" in either location on this page takes users to a web page devoted to WMS products (Exhibit 21-C) (the "WMS Page").

(b) The WMS Page lists several different products, all labeled as "WMS" products. These include used WMS gaming machines (identified on the WMS Page as "Original WMS Games"), used WMS gaming machine parts and Everything Games' so-called "Slimline WMS" gaming machines. The images below are screen captures from the EG Website showing how Defendant Everything Games is using the WMS trademark to promote its "Slimline WMS" gaming machines:



SlimLine WMS Games - NEW!!!

\$1,995.00 **Buy now!**



WMS Dual Screen Top Box

\$895.00 **Buy now!**

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(c) Clicking on the link “SlimLine WMS Games – NEW!!!” on the WMS Page takes users to an entire webpage (the “WMS Slimline Page”) devoted to the promotion of the “Slimline WMS” gaming machine containing the following statements:

SlimLine WMS Games - NEW!!!

BRAND NEW GAME CABINET!!!!

The New Slimline WMS Game Cabinet!!!

Exhibit 21-D. These statements create the false impression that Defendants’ gaming machine product is provided by, sponsored by, approved by, licensed by, affiliated with or in some way legitimately connected to WMS.

(d) Clicking on the link “WMS Dual Screen Top Box” on the WMS Page takes users to a webpage promoting a “Brand New WMS Dual Screen Top Box” for use to “retro-fit your [WMS model] 360/360-1 or Slimline WMS Cabinet for Dual Screen Game Play.” See Exhibit 21-E. These statements create the false impression that Defendants’ “Top Box” product is also provided by, sponsored by, approved by, licensed by, affiliated with or in some way legitimately connected to WMS.

24. During April and May of 2010, a private investigator working on behalf of WMS (the “Investigator”) made two purchases from Defendant Everything Games including: (a) an Everything Games “SlimLine WMS” video slot machine preinstalled with a pirated copy of WMS *Reel ‘Em In* game software (the “SlimLine WMS’ *Reel ‘Em In*” machine), and (b) EPROMs containing unauthorized pirated copies of WMS software for the five games *Instant*

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Winner, Jackpot Party, Life of Luxury The Best Things in Life, Money to Burn and Leprechaun's Gold.

25. During an April 1, 2010 meeting at Everything Games' facility at 2321 Solona Street, Suite A, Haltom City, Texas, an individual who identified himself as "Chris" showed the Investigator a row of nine gaming machines he called "Williams" machines. Upon information and belief, Chris is an employee or agent of Defendant Everything Games and worked under the supervision and control of Defendant Houchin. Chris further stated that "Williams" is the same as "WMS" and identified the nine machines as the "SlimLine" models.

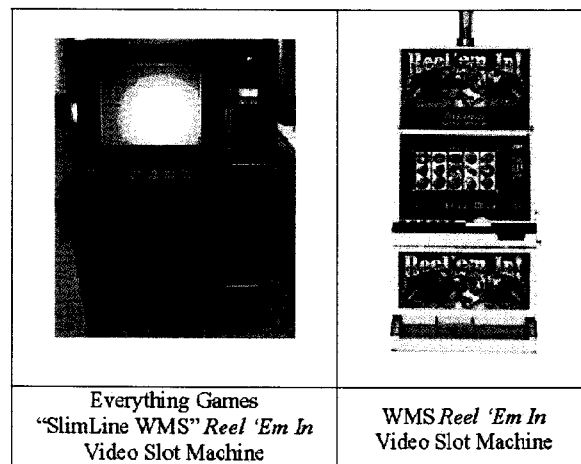
26. During this meeting, Defendant Houchin personally completed and printed a receipt for the Investigator covering the deposit for his purchase of two "Slimline WMS" gaming machines including the "SlimLine WMS" *Reel 'Em In* machine and a second "SlimLine WMS" machine. A copy of this receipt, on which Houchin identified himself as the Everything Games sales rep or "EG Rep" by the initials "R.H.", is attached to this Complaint as Exhibit 22.

27. On April 13, 2010, the Investigator picked up the two "SlimLine WMS" gaming machines, including the "SlimLine WMS" *Reel 'Em In* machine, from Everything Games' facility at 2321-A Solona Street in Haltom City, Texas. Defendant Houchin personally accepted the Investigator's payment of the balance due and prepared the receipt, initialing it in three places. The receipt, a copy of which is attached to this Complaint as Exhibit 23, describes the gaming machines as "New Black Wood Slimline Sitdown WMS Game Cabinet" and "New Black Wood Slimline Sitdown WMS Game Dual Cabinet," creating the false impression that the cabinets emanate from or are in some way legitimately connected to WMS. The receipt states

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that Everything Games is supplying “1.5 Plus Game Version and Software – Reel ‘Em In” software with the machines, thereby using WMS’s REEL ‘EM IN trademark to create the false impression that the machines have been fitted with genuine WMS *Reel ‘Em In* software, and creating a false association with WMS.

28. The cabinets Defendants use for their so called “Slimline WMS” machines are unlike any cabinets used by WMS for its genuine video slot machines. The cabinets are made of wood (or melamine), crudely constructed, painted black and utterly lacking in the eye-catching graphics so visible on genuine WMS machines. Photographs showing the Everything Games *Reel ‘Em In* game machine purchased by the Investigator and a genuine WMS *Reel ‘Em In* gaming machine demonstrate the striking visual contrasts between the two machines:

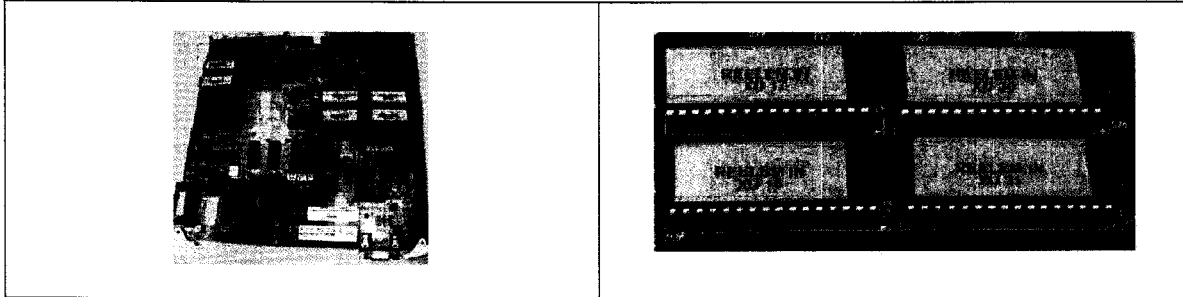


Copies of these photographs are attached to this Complaint as Exhibit 24.

29. The “SlimLine WMS” gaming machines purchased by the Investigator contain used WMS CPU Boards. The Board inside the Everything Games “SlimLine WMS” *Reel ‘Em In* cabinet contains six EPROM chips recently labeled with an unauthorized facsimile of the

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WMS trademark REEL 'EM IN. A photograph of this CPU Board, a copy of which is included in Exhibit 25 to this Complaint, and a close-up view showing Everything Games' unauthorized use of WMS's REEL 'EM IN trademark on its pirated EPROMs, are reproduced below:



30. In addition to selling the Investigator the complete "SlimLine WMS" machines, on May 24, 2010, Defendant Everything Games also sold him five sets of EPROMs containing pirated game software for the WMS games *Instant Winner*, *Jackpot Party*, *Leprechaun's Gold*, *Life of Luxury The Best Things in Life* and *Money to Burn*. Defendant Houchin accepted the Investigator's order for these pirated EPROMs on behalf of Defendant Everything Games during a May 19, 2010 telephone conversation. Houchin was present when the Investigator picked up the EPROMs from Everything Games' Haltom City facility and prepared the receipt for this purchase in the Investigator's presence. On the receipt, a copy of which is attached to this Complaint as Exhibit 26, Houchin identifies himself as the Everything Games sales rep for the transaction by the initials "RH". Listing the purchased items as "*WMS Best Things in Life*," "*Leprachaun (sic) Gold*," "*Money to Burn*," *Jackpot Party*" and "*Instant Winner*," the receipt uses WMS's trademarks BEST THINGS IN LIFE, LEPRECHAUN'S GOLD, MONEY TO

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